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ABSTRACT

A study investigated the characteristics of 43,307 participants 55 years and older in the 3 percent set-aside program of the Job Training Partnership Act (JTPA) during program year 1987. Information sources included 37 states, the U.S. Bureau of the Census, the U.S. Department of Labor, the National Council on Aging, and state and community-based organizations. Findings were as follows: (1) the program serves a different clientele from the JTPA Title II-A program for Adults and Youths and the Title V, Senior Community Service Employment Program; (2) 59 percent of those served by the program in 29 states were considered long-term unemployed; (3) 1-25 percent of program participants in 15 states reporting were unemployment insurance claimants; (4) 1-28 percent of program participants in 23 states reporting were handicapped; (5) 2-34 percent of program participants in 21 states reporting were veterans; and (6) 1-3 percent of program participants in 12 states reporting were exoffenders. (CML)

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Participant Characteristics of the Job Training Partnership Act (JTPA) 3 Percent Set-aside Program for Older Individuals:

Findings and Policy Implications

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PARTICIPANT CHARACTERISTICS OF JOB TRAINING PARTNERSHIP
ACT (JTPA) 3% SET-ASIDE PROGRAM FOR OLDER
INDIVIDUALS: FINDINGS AND POLICY IMPLICATIONS

I. INTRODUCTION

During the first several years of the Job Training Partnership Act (JTPA) Three Percent Set-Aside Program for Older Individuals, little information was available at the national level on the number and characteristics of the participants. The primary reason is that federal reporting on participants for the JTPA set-asides was not required as a separate category. Secondly, federally required financial reporting on the set-asides was aggregated so that a separate analysis of the different programs was not possible. However, in program year 1986 (July 1, 1986 - June 30, 1987), the JTPA reporting requirements were changed so that the number of participants, terminees, and the expenditure data for the set-aside programs were reported separately. But even with this improvement, data on the characteristics of participants in the set-aside programs are still not required to be reported.

This study is in response to the need for detailed system-wide information on the characteristics of participants in the JTPA 3 percent set-aside program in order to answer such critical questions as: What are the characteristics of participants? Are these characteristics the same or different than those cited in other studies and of participants in other programs that serve older workers? What are some of the policy implications for employment and training programs? With the extensive review that JTPA is receiving from Congress and the administration, and with the introduction of several congressional bills that propose significant changes to JTPA, including the elimination of the 3 percent set-aside program, the answers to these questions are critical.

Information for this report has been provided by thirty-seven states for program year 1987 (June 30, 1986 - July 1, 1987) on the characteristics of 43,307 individuals fifty-five years of age or older who were served in the 3 percent set-aside program for older individuals. As of this writing, JTPA program year 1988 data have not been released by the U.S. Department of Labor pending resolution of some data discrepancies. (See Appendix A for a listing of respondents and the number of older individuals they served.) These data represent 80.5 percent of all older individuals served in the 3 percent program in program year 1987, thus providing the most accurate national assessment of participant characteristics available to date. This study complements an earlier report issued by the National Governors' Association and the National Association of State Units on Aging: Serving Older Individuals Under the Job Training Partnership Act: State Initiatives and Practices. That report described the operation and policies of the states' 3 percent programs, but did not address participant characteristics.

II. METHODOLOGY

All states were asked to provide data from their Management Information System (MIS) on the total number of 3 percent participants served in program year 1987 (June 30, 1986 - July 1, 1987). States were also asked to identify the number of 3 percent participants served by a variety of characteristics such as sex, race, employment status, and education. As stated earlier, thirty-seven states responded to the request, though not all respondents provided data on all participant characteristics. Appendix B shows the number

of participants for which data was provided and the percentage this represents of all 53,762 participants served by the program in program year 1987. The number of states reporting information on each characteristics is also indicated.

The data on participant characteristics contained in tables with state-by-state breakouts are reported in two ways. First, for each characteristic, the number of participants and the percentage it represents are reported by state. Second, the aggregate (national) number of participants and the percentage this total represents are reported. For example, Table 4 indicates that 43,207, or 61 percent of all program participants were women, and it also shows that 1,914, or 58 percent of Pennsylvania's participants are female.

Other sources of information for this study include the 1989 U.S. Bureau of Census Statistical Abstracts of the United States; the U.S. Department of Labor Job Training Quarterly System (JTQS) data; the U.S. DOL Senior Community Service Employment Program Quarterly Status Report ending June 30, 1988; a 1988 study by the National Council on Aging entitled, Older Worker Employment: An Analysis of the JTPA 3% Program; and information compiled from discussions with state and community-based organization representatives involved in the administration of employment and training programs for older individuals.

III. CHARACTERISTICS OF OLDER INDIVIDUALS SERVED BY THE JTPA 3% PROGRAM AND OTHER PROGRAMS SERVING THIS POPULATION

One of the major policy questions is whether the largest federally funded programs providing employment and training services for older individuals--the JTPA 3% Set-Aside Program for Older Individuals; the JTPA Title II-A Program for Adults and Youths; and the Title V, Senior Community Service Employment Program--are competing for the same clients, or whether they serve different segments of the older worker population.

A review of the characteristics of participants in the three programs shows that the programs tend to serve different segments of the older population. These differences, particularly between Title V and 3 percent, are due at least in part, to differences in program eligibility and the primary goals of the two programs. The primary goal of the 3 percent program is to train and place participants in unsubsidized employment, while the main purpose of the Title V program is to augment the income of seniors through part-time subsidized employment in community service jobs.

- Title V funds are spent largely on salaries and wages for older workers while JTPA funds are directed to job training and employment activities.
- Title V permits a higher poverty standard for eligibility (125 percent of the poverty level) than the JTPA program (100 percent of the poverty level or 70 percent of the lower living standard income level).

Table 1 displays data on the characteristics of older individuals served by the three programs. The table also compares the findings of an analysis of the JTPA 3% Program conducted by the National Council on Aging (NCOA) with

TABLE 1

Comparison of Older Individuals Served by the JTPA 3% Program,
the Title II-A Program, and Title V of the Older Americans Act

	JTPA 3%			
	NGA/NASUA ¹	NCOA ²	Title II-A ³	Title V ⁴
	STUDY	STUDY		
<u>Sex</u>				
Male	39%	39%	45%	31%
Female	61	61	55	69
<u>Race</u>				
White	69	72	68	63
Black	18	18	18	24
Hispanic	8	7	11	9
Other	5	3	3	5
<u>Education</u>				
Less Than high School	37	35	39	49
High School or More	63	65	60	51

¹ For the number of older persons for each characteristic see Appendix B.

² Source: Older Worker Employment: An Analysis of the JTPA 3% Program, Brenda Lester, Prime Time Productivity, National Council on Aging, 1988. The number of participants is 6,938.

³ Source: U.S. Department of Labor, Job Training Quarterly System (JTQS) data. Program year 1987. This data is based on a sample of 142 Service Delivery Areas (SDA). If the SDA also operates the 3% and/or 8% programs, older individuals would also be included.

⁴ Source: U.S. Department of Labor, Senior Community Service Employment Program Quarterly Status Report, ending June 30, 1988. The number of participants is 67,908.

comparable characteristics data from this study. Although the NCOA study involved only 6,938 participants, compared to 43,307 participants in the NGA/NASUA study, both findings were remarkably close. As shown in the table, the percentages for "sex" and "black participants" are identical while the largest difference in the other data is only 3 percent or less.

Participation Rates of Members of Minority Groups

Table 1 shows that the Title V program serves more minorities than the JTPA 3% set-aside or the Title II-A programs. The diversity of minorities served by the Title V Program is likely to continue to grow with the recent funding of Senior Community Service Employment Programs with the National Indian Council on Aging and the National Pacific/Asian Resource Center.

All three programs served a greater percentage of minorities than are represented in the 55+ plus population as a whole. While only 20 percent of the 55+ plus population is minority, almost one-third of the 3 percent program participants (31 percent) and just under half of the Title II-A participants (46%) were minority during July 1987-March 1988, according to Job Training Quarterly System (JTQS) data published by the U.S. Department of Labor. Although the 3 percent set-aside program is not intended to be targeted primarily to minorities, the act requires that efforts be made to provide equitable services among substantial segments of the eligible population. Thirty-four states provided data for the NGA study on the race of 40,166 participants in the 3 percent set-aside program. A breakout of the participants' race is as follows:

• white	69%
• black	18%
• Hispanic	8%
• Asian/Pacific	2%
• Indian	1%
• Other	2%

States ranged from serving a low of 19 percent white persons in Hawaii to a high of 99 percent in Vermont. In addition to Hawaii, Maryland and Texas served a majority of nonwhite older persons in their 3 percent programs. In general, there appears to be a direct relationship between the participants' race, and their incidence in the state population.

Estimates for the JTPA eligible population of all ages derived from the March 1987 Current Population Survey by using the principal criteria (economically disadvantaged, receiving food stamps, etc.) used in defining JTPA eligibility indicate that 60 percent are white (excluding Hispanics); 23 percent are black (excluding Hispanics); 13 percent are Hispanic, and 3 percent are classified as "others".

An overall 31 percent minority participation rate in the 3 percent set-aside program indicates an underrepresentation of about 9 percent when compared to the 40 percent estimate of minorities who are JTPA eligibles. Although some states would find it difficult to serve more minorities because of the makeup of their population, other states need to increase their minority participation rates in order to comply with the equitable services provision.

TABLE 2

Race of Participants in Three Percent Set-Aside
Programs - Program Year (PY) 1987

<u>State</u>	<u>Number of Participants</u>	<u>Percent(%) White</u>
Hawaii	147	19
Maryland	198	41
Texas	3,126	41
Mississippi	1,264	56
Alabama	1,587	57
Florida	1,146	58
New York	3,432	58
California	3,538	59
Georgia	943	59
Illinois	4,018	65
Connecticut	300	68
Alaska	134	71
Louisiana	1,589	72
Ohio	3,014	73
Oklahoma	1,452	73
Tennessee	1,041	74
Arizona	100	78
Colorado	1,641	78
Missouri	1,165	79
Nebraska	447	79
Nevada	192	79
Pennsylvania	1,914	83
Rhode Island	90	84
Washington	714	85
Kansas	486	86
Kentucky	2,723	86
Massachusetts	942	86
Arkansas	1,024	89
Iowa	678	94
Utah	348	95
North Dakota	78	96
West Virginia	314	96
South Dakota	186	98
<u>Vermont</u>	<u>195</u>	<u>99</u>
TOTAL 34 STATES	TOTAL 40,166	69% OF TOTAL PARTICIPANTS

Table 2 shows a state-by-state breakout of the number of participants and the percentage of white participants. The states are ranked from the lowest to the highest percentage of white participants served.

Educational Levels. It is interesting to note in Table 1 that participants in the 3 percent set-aside program have a higher level of education than the participants in the other two programs. Specifically, 63 percent of the 3 percent program participants have a high school education or more, compared to 55 percent of the Title II-A enrollees, and 51 percent of the Title V, Senior Community Service Employment Program participants.

Although it is not clear as to why 3 percent set-aside participants have a higher level of education than participants in the other two programs, it is certain that these participants are among those most in need of employment to augment their incomes. The 3 percent set-aside program has the most stringent eligibility criteria of the three major programs in that 100 percent of the participants must be economically disadvantaged. The Title II-A program has a "10 percent window" that allows some noneconomically disadvantaged individuals who have other barriers to employment to participate in JTPA, and the Title V Program allows its participants to qualify with a family income of 125 percent of the poverty level.

However, one possible reason why the 3 percent set-aside participants have a higher level of education may be related to the high percentage of white participants that are being served. In general, minorities are more likely than whites to have less than a high school education. Another possible explanation is that the Title V Programs whose participants have, overall, the lowest levels of education, are able to serve more educationally disadvantaged individuals because it is easier to make placements in subsidized jobs. Table 3 contains a state-by-state breakout of the educational attainment of the 3 percent set-aside program participants.

TABLE 3

Educational Attainment for 3 Percent Set-Aside Program Participants

<u>State</u>	<u>Number of Participants</u>	<u>Percent Less Than High School</u>
Massachusetts	942	17
Colorado	1,641	18
Washington	714	20
Utah	348	22
Alaska	134	23
California	3,538	24
Nevada	192	26
Iowa	678	26
South Dakota	186	28
Minnesota	688	30
New York	3,432	31
Pennsylvania	1,914	31
Vermont	195	32
Florida	1,146	35
Ohio	3,014	36
Arkansas	1,024	37
Illinois	4,018	37
Missouri	1,165	38
Nebraska	447	40
Connecticut	300	40
West Virginia	314	40
North Dakota	78	41
Louisiana	1,589	42
Oklahoma	1,452	42
Tennessee	1,041	46
Maryland	198	46
Mississippi	1,264	46
Texas	3,126	47
Georgia	943	48
Hawaii	147	49
Alabama	1,587	51
North Carolina	2,403	51
<u>Arizona</u>	<u>100</u>	<u>67</u>
TOTAL 33 STATES	TOTAL 39,958	37% OF TOTAL PARTICIPANTS

Other Distinguishing Characteristics

The JTPA 3 percent program served a higher percentage of women (61 percent) than are found in the 55+ population as a whole (54 percent) or the JTPA Title II-A program (55 percent). While older women served in the 3% program range from a low of 45 percent in South Dakota to a high of 83 percent in Maryland, there are only two states where less than half of the participants are women: South Dakota (45 percent) and North Dakota (46 percent). See Table 4 for a state-by-state breakout of the percentage of female participants in thirty-six states. The table ranks the states from the lowest percentage of female participants (SD) to the highest (MD).

Although the precise reason(s) for the difference could not be positively determined, there are several plausible explanations:

(1) There are generally more women eligible for the 3 percent set-aside program than men because lower, lifelong earnings predispose women to being economically disadvantaged in later life. Recruitment of economically disadvantaged older individuals is particularly critical for the 3 percent program since all of the participants must be economically disadvantaged. By contrast, the Title II-A program has a 10 percent window that allows noneconomically disadvantaged individuals with other impediments to employment to participate in JTPA. It is likely that the 10 percent window allows some noneconomically disadvantaged males to participate in Title II-A local programs, which raises the overall percentage of male participants.

(2) The 3 percent program is not subject to the secretary's performance standards, and is frequently operated by area agencies on aging, and other community-based organizations that serve older individuals. As a result, it is generally viewed as a more "friendly" program than one operated by a standard II-A vendor. Under the circumstances, we believe that organizations that cater to older people are more likely to attract older women. A representative from the Displaced Homemakers Network described the 3 percent set-aside program as being desirable for displaced homemakers organizations because they feel that, "they are looked to as being more helpful to their clients since they are not under pressure to meet the placement and cost performance standards; they are sensitive to the issue of age, and are not viewed by displaced homemakers with the same amount of distrust as other programs that cater to younger individuals."

(3) A final factor may be that certain program policies and practices, such as targeting of special populations and the type of training offered, may attract more women than men to the program.

TABLE 4

Sex of Participants in 3 Percent Set-Aside Program
for Program Year 1987
(Ranked from Lowest to Highest Percentage)

<u>State</u>	<u>Number of Participants</u>	<u>Percentage(%) of Female</u>
South Dakota	186	45
North Dakota	78	46
Nebraska	447	51
Minnesota	688	52
Nevada	192	53
Texas	3,126	55
California	3,538	56
Florida	1,146	56
Iowa	678	56
Utah	348	56
Missouri	1,165	57
Colorado	1,641	58
Illinois	4,018	58
Pennsylvania	1,914	58
Alaska	134	59
Louisiana	1,589	59
Connecticut	300	61
Hawaii	147	62
New York	3,432	62
West Virginia	314	62
Arkansas	1,024	63
Massachusetts	942	63
Ohio	3,014	63
Vermont	195	64
Washington	714	64
Alabama	1,587	65
Kentucky	2,723	65
Mississippi	1,264	65
Oklahoma	1,452	65
Kansas	486	68
New Hampshire	50	68
North Carolina	2,403	70
Tennessee	1,041	70
Rhode Island	90	73
Georgia	943	76
Maryland	198	83
TOTAL 36 STATES	TOTAL 43,207	61% OF TOTAL PARTICIPANTS

IV. ADDITIONAL CHARACTERISTICS OF 3 PERCENT SET-ASIDE PARTICIPANTS

Employment Status of 3 Percent Set-Aside Participants

Twenty-nine states serving 32,600 3 percent set-aside program participants reported that the number of persons who were long-term unemployed (usually defined as 15 or more weeks) and/or were not in the labor force (not working or looking for work), was 19,267 or 59 percent. As shown in Table 5, twenty-two states provided information on both the categories of long-term unemployed and the number not in the labor force. These states served 25,649 older individuals, 42 percent of whom were long-term unemployed and 18 percent of whom were not in the laborforce. The percentage of participants who were either long-term unemployed or not in the labor force in these states ranged from a low of 45 percent in Minnesota to a high of 95 percent in Maryland. Table 5 contains a state-by-state breakout of the percentage of participants who were long-term unemployed and were not in the labor force.

The data shows that the 3 percent set-aside program is reaching significant numbers of older individuals who had dropped out of the labor force or were long-term unemployed because they had been unable to secure employment. Through the 3 percent set-aside program, many of these individuals were once again able to re-enter the workforce.

TABLE 5

**Employment Status
Three Percent Program Participants**

<u>State</u>	<u>Number of Participants</u>	<u>% Long-Term Unemployed</u>	<u>% Not in Labor Force</u>	<u>Percent Long-Term Unemployed and/or Not in Labor Force</u>
MN	688	33*	12	45
NV	192	38*	14	52
NY	3,432	39	13	52
ND	78	41	13	54
TN	1,041	30	29	59
HI	147	54	6	60
AR	1,024	9	58	67
CA	3,538	54	14	68
MS	1,264	61	9	70
MO	1,165	69	4	73
PA	1,914	54*	20	74
SD	186	54	20	74
VT	195	42	33	75
GA	943	11	65	76
MA	942	48*	29	77
OK	1,452	62	15	77
WV	314	72	5	77
LA	1,589	67	13	80
WA	714	76	6	82
TX	3,126	74	10	84
AL	1,507	75*	19	94
MD	198	85	10	95

TOTAL 22 STATES

TOTAL - 25,649

*These states did not specifically define long-term unemployed in terms of 15 or more weeks; all other states did.

Three Percent Program Participants Who Were Unemployment Insurance Claimants

Fifteen states serving 20,974 participants reported on older workers who were unemployment insurance claimants. States ranged from a low of 1 percent unemployment/compensation claimants in Oklahoma to a high of 25 percent in New York. The average percentage of U/I claimants in the fifteen states is 12 percent. Table 6 below contains a state-by-state breakout showing the percentage of unemployed/compensation claimants. The table ranks the states from the lowest percentage of U/I claimant to the highest percentage of U/I claimants.

TABLE 6

3 Percent Program Participants Who Were Unemployment Insurance Claimants
(Ranked from Lowest to Highest Percentage)

<u>State</u>	<u>Number of Participants</u>	<u>Percentage of Participants Who Were Unemployment Insurance Claimants</u>
Oklahoma	1452	1
South Dakota	186	4
Maryland	198	4
Georgia	943	4
Massachusetts	942	8
Colorado	1641	8
Louisiana	1589	9
California	3538	10
Vermont	195	11
Pennsylvania	1914	11
Alaska	134	12
Washington	714	13
Illinois	4018	13
North Dakota	78	19
<u>New York</u>	<u>3432</u>	<u>25</u>
TOTAL 15 STATES	TOTAL 20,974	12% OF TOTAL PARTICIPANTS

Status of Older Persons with Handicaps

Twenty-three states serving 27,097 participants reported on older persons with handicaps. States ranged from serving a low of 1 percent handicapped individuals in Georgia and Louisiana to a high of 28 percent in North Dakota. The average of all the states was 8 percent. Table 7 below contains a state-by-state breakout of the percentage of handicapped participants. The table ranks the states from the lowest percentage of handicapped participants to the highest percentage of handicapped participants.

TABLE 7

Older Persons with Handicaps
(Ranked from Lowest to Highest Percentage)

<u>State</u>	<u>Number of Participants</u>	<u>Percentage of Persons With Handicaps</u>
Georgia	943	1
Louisiana	1,589	1
Massachusetts	942	4
Oklahoma	1,452	4
Vermont	195	4
Maryland	198	5
Missouri	1,165	5
Texas	3,126	5
Pennsylvania	1,914	6
South Dakota	186	6
Illinois	4,018	7
Kansas	486	7
California	3,538	8
West Virginia	714	8
Nebraska	447	9
Rhode Island	90	9
Hawaii	147	11
Colorado	1,641	12
Washington	714	13
New York	3,432	16
Alaska	134	17
Utah	348	20
<u>North Dakota</u>	<u>78</u>	<u>28</u>
TOTAL 23 STATES	TOTAL 27,097	8% OF TOTAL PARTICIPANTS

Status of Older Persons Who Are Veterans

Twenty-one states serving 23,790 participants reported on older workers who are veterans. States ranged from serving a low of 2 percent veterans in Rhode Island to a high of 34 percent in Alaska. Of the total participants, 19 percent were veterans. See Table 8 below, for a state-by-state breakout of the percentage of participants who are veterans.

TABLE 8

Older Persons who are Veterans
(Ranked from Lowest to Highest Percentage)

<u>State</u>	<u>Number of Participants</u>	<u>Percentage of Participants Who Are Veterans</u>
Rhode Island	90	2
Kansas	486	5
Maryland	198	8
Illinois	4,018	9
Hawaii	147	12
Oklahoma	1,452	16
North Carolina	2,403	16
California	3,538	16
New York	3,432	19
Vermont	195	21
Massachusetts	942	21
Nebraska	447	26
Washington	714	26
West Virginia	314	27
Pennsylvania	1,914	27
Louisiana	1,589	28
South Dakota	186	30
Utah	348	31
North Dakota	78	32
Missouri	1,165	32
<u>Alaska</u>	<u>134</u>	<u>34</u>
TOTAL 21 STATES	TOTAL 23,790	19% OF TOTAL PARTICIPANTS

Status of Older Persons Who Are Ex-Offenders

Twelve states serving 17,451 participants reported on older workers who are ex-offenders. Seven states ranged from a low of 1 percent to a high of 3 percent in two states (Alaska and Utah). The average of all the states combined is 1 percent. See Table 9 below for a state-by-state breakout for the percentages of ex-offenders. The table ranks the states from the lowest percentage of ex-offenders to the highest percentage of ex-offenders.

TABLE 9

Older Persons Who Are Ex-Offenders

<u>State</u>	<u>Number of Participants</u>	<u>Number of Participants Who are Ex-Offenders</u>	
Maryland	198	2	1%
West Virginia	314	2	1
Massachusetts	942	4	1
Oklahoma	1,452	8	1
Pennsylvania	1,914	13	1
New York	3,432	23	1
Illinois	4,018	43	1
Nebraska	447	9	2
Washington	714	13	2
California	3,538	62	2
Alaska	134	4	3
Utah	348	10	3
TOTAL 12 STATES	TOTAL 17,451	193	1.1%

V. POLICY IMPLICATIONS/RECOMMENDATIONS

Need for Further Study: While this study reports on many of the characteristics of older persons served by the 3 percent set-aside program, the study does not address some issues that are essential to assessing the effectiveness of the program. Questions most frequently asked about the 3 percent program by individuals and agencies interested in enhancing the employment opportunities of older persons are:

- What is the entered employment rate for terminees?
- What is the average hourly wage at termination?
- What is the positive termination rate?
- How many persons are served who are fifty-five to sixty-four years of age, and how many are sixty-five years of age and older?
- What is the initial program assignment (e.g., classroom training, on-the-job training, job search assistance, work experience) by sex, age (fifty-five to sixty-four and sixty-five plus), minority status, education status and by average hourly wage at employment?
- What kind of jobs are older workers obtaining as a result of training provided through 3 percent programs?

-- How many older workers obtain part-time versus full-time employment by age, (e.g., 55-64 and 65 plus)?

Clearly the answers to these questions are beyond the scope of this study, but should be addressed in future studies to provide policymakers with the information needed to enhance employment and training programs for the nation's older individuals.

In conclusion, the characteristics of the participants in the 3 percent set-aside, Title II-A and Title V programs indicate that although they may all be fifty-five years old or older, the participants in each program are in reality different enough to warrant different programmatic approaches represented by these programs. In addition, states are reporting an increasing amount of coordination that is taking place between the programs that is benefiting the clients as well as improving program efficiency.

Experience has shown that one way to increase the participation of minorities is to increase the number of service providers that specialize in providing services to a particular ethnic or racial group. This type of service provider is usually located in the area where concentrations of the minority group reside, and its staff is composed largely of the particular minority that it serves. For example, in Project Ayuda, a Senior Community Service Employment Program operated by the National Association for Hispanic Elderly in California, 73.5 percent of its participants for the 1987-1988 program year were Hispanic. Similarly, during program year 1987, 77.4 percent of the participants in the Senior Community Service Employment Program operated by the National Center on Black Aged were black.

Another approach to increasing minority participation is through performance-based contracting. Although performance-based contracting has become controversial because of concern that this type of contracting may be a way to circumvent the 15 percent limitation on administration, it can be a powerful tool for focusing the system on performance rather than process. Many states have achieved excellent results through the use of performance-based contracting by specifying the characteristics of the participants to be enrolled in the program as well as the desired outcomes. For example, a performance-based contract could require that 100 percent of the participants that are trained and placed in jobs meet the JTPA eligibility criteria for the 3 percent set-aside program, and additionally, that a specified minimum also belong to a minority group. Performance-based contracting has been successfully used by states for providing services to hard-to-serve groups including at-risk youth, persons with handicaps, and those with limited English speaking.

Increased Employment Opportunities: There are a number of areas in the country where employment has grown faster than the population. For example, according to the Council of Governments' forecast, from 1990 to 2010 the Washington, D.C. area is expected to add more than 1 million new jobs. Meanwhile, the population is expected to grow by only 743,000. Although this shortage of workers is occurring only in some areas at this time, several studies have concluded that there may be severe, nationwide shortages of qualified workers by the year 2000. Aside from the slowdown in population growth, the problem will be exacerbated by workers who lack the necessary education and skills. Rising illiteracy and high school dropout rates coupled with the expansion of jobs requiring higher computational and reasoning skills will further diminish the pool of qualified workers.

At that time, employers will have to resolve the anticipated labor shortages by retaining older employees longer; by recruiting older individuals who have dropped out of the labor market, and by hiring persons from groups who have traditionally experienced more difficulty in obtaining employment such as individuals with handicaps, minorities, and new immigrants.

Employment and training programs, such as the 3 percent set-aside program for Older Individuals, can play an important role in alleviating worker shortages by assisting older individuals to get back into the labor force. The study shows that of 32,600 participants served by 29 states, 19,267 or 59 percent were long-term unemployed or were not in the labor force. In some states like Maryland where 95 percent of the participants served were either long-term unemployed or out of the labor force, the program plays an important role in providing needed workers.

APPENDIX A

Number of 3 Percent Participants Served in Program Year 87 by State

Alabama	1,587
Alaska	134
Arizona	100
Arkansas	1,024
California	3,538
Colorado	1,641
Connecticut	300
Florida	1,146
Georgia	943
Hawaii	147
Iowa	678
Illinois	4,018
Kansas	486
Kentucky	2,723
Louisiana	1,589
Maryland	198
Massachusetts	942
Minnesota	688
Mississippi	1,264
Missouri	1,165
Nebraska	447
Nevada	192
New Hampshire	50
New York	3,432
North Carolina	2,403
North Dakota	78
Oklahoma	1,452
Ohio	3,014
Pennsylvania	1,914
Rhode Island	90
South Dakota	186
Tennessee	1,041
Texas	3,126
Utah	348
Vermont	195
Washington	714
West Virginia	<u>314</u>
TOTAL	<u>43,307</u>

APPENDIX B

Summary of Response Rates by
Program Participant Characteristics

<u>Characteristics</u>	<u>No. of State</u> <u>Respondents</u>	<u>No. of Participants</u> <u>Reported on</u>	<u>% of all 53,762</u> <u>Partic. Served PY 87</u>
Sex	36	43,207	80%
Race	34	40,166	75
Education	33	39,958	74
Employment Status	29	32,600	61
Persons with			
Handicaps	23	27,097	50
Veterans	21	23,790	44
UI Claimants	15	20,974	39
Ex-Offenders	12	17,451	32